

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025 (UNAUDITED)

(Expressed in Canadian dollars)

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Financial Statements

June 30, 2025

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by Oak Hill Asset Management Inc., in its capacity as the Manager of the Fund. The Fund's Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments made by the Manager. The material accounting policy information which the Manager believes are appropriate for the Fund are described in Note 3 to the unaudited interim financial statements.

On behalf of the Manager



August 8, 2025

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these financial statements.

Oak Hill Asset Management Inc., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Statement of Financial Position As at June 30, 2025 (Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ —	\$ 7,095,578
Investments at fair value through profit or loss (Note 8)	130,789,125	83,274,110
Foreign exchange forwards, at fair value (Note 8)	183,855	314,012
Foreign exchange swaps, at fair value (Note 8)	260,343	209,447
Receivable for investments sold (Note 3)	445,136	56,436
Dividends receivable	60,608	85,086
Interest receivable	373,619	107,946
Subscriptions receivable	618,200	60,827
Due from Manager	100,000	—
HST receivables	39,542	26,157
	<u>132,870,428</u>	<u>91,229,599</u>
LIABILITIES		
Bank Indebtedness	25,345,872	—
Investments sold short, at fair value through profit or loss (Note 8)	5,500,812	11,758,828
Foreign exchange forwards, at fair value (Note 8)	79,409	—
Foreign exchange swaps, at fair value (Note 8)	279,370	159,533
Accounts payable and accrued liabilities	146,843	103,366
Dividends payable on investments sold short	—	23,687
Interest and borrowing fees payable	66,245	—
Payable for investments purchased (Note 3)	3,009,239	1,142,105
Management fees payable (Note 7)	76,054	62,554
Performance fees payable (Note 7)	201,632	67,695
Redemptions payable	75,000	—
Distributions payable	—	319
	<u>34,780,476</u>	<u>13,318,087</u>
Net assets attributable to holders of redeemable units	<u>\$ 98,089,952</u>	<u>\$ 77,911,512</u>
Net assets attributable to holders of redeemable units per series		
Series A	\$ 158,350	\$ 18,663
Series A - USD	453,782	444,390
Series F	43,334,019	25,010,869
Series F - USD	2,378,127	343,775
Series X	51,765,674	52,093,815
	<u>\$ 98,089,952</u>	<u>\$ 77,911,512</u>
Number of redeemable units outstanding (Note 6)		
Series A	15,108	1,817
Series A - USD	31,406	31,406
Series F	3,941,215	2,332,549
Series F - USD	163,751	24,095
Series X	4,836,595	4,996,806

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Statement of Financial Position (continued) As at June 30, 2025 (Unaudited)

		June 30, 2025		December 31, 2024
Net assets attributable to holders of redeemable units per unit				
Series A	\$	10.48	\$	10.27
Series A - USD		14.45		14.15
Series F		11.00		10.72
Series F - USD		14.52		14.27
Series X		10.70		10.43

Approved and authorized for issue on behalf of the Fund by the Manager:
Oak Hill Asset Management Inc.



OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Statement of Comprehensive Income

For the six-months ended June 30, 2025 (Unaudited)

	2025	2024
Income		
Dividends	\$ 561,719	\$ 354,610
Interest income for distribution purposes	654,041	897,028
Net change in unrealized (depreciation) appreciation in value of investments, including derivatives and foreign exchange adjustments	(1,993,462)	1,721,130
Net realized gain (loss) on sale of investments, including derivatives and foreign exchange adjustments	4,760,887	(126,683)
Tax refund	–	8,484
	<u>3,983,185</u>	<u>2,854,569</u>
Expenses		
Performance fees (Note 7)	448,999	315,260
Management fees (Note 7)	402,167	282,382
Withholding taxes	260,397	30,262
Interest and borrowing fees	253,603	22,685
Operating costs	144,418	143,982
Dividend expense on investments sold short	129,251	253,063
Commission and other portfolio transaction costs	115,636	136,287
Audit fees	31,460	59,270
IRC fees	19,210	13,560
Legal fees	10,192	–
Offering costs	–	2,657
Custodian fees	–	(5,000)
	<u>1,815,333</u>	<u>1,254,408</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 2,167,852</u>	<u>\$ 1,600,161</u>
Increase in net assets attributable to holders of redeemable units per series		
Series A	\$ 1,341	\$ 611
Series A - USD	9,392	4,922
Series F	773,507	262,573
Series F - USD	24,353	7,316
Series X	<u>1,359,259</u>	<u>1,324,739</u>
	<u>\$ 2,167,852</u>	<u>\$ 1,600,161</u>
Increase in net assets attributable to holders of redeemable units per unit (Note 10)		
Series A	\$ 0.19	\$ 0.23
Series A - USD	0.30	0.30
Series F	0.27	0.26
Series F - USD	0.22	0.34
Series X	0.28	0.26

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the six-months ended June 30, 2025 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Reinvestment of redeemable units	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2025						
Series A	\$ 18,663	\$ 163,600	\$ (25,254)	\$ –	\$ 1,341	\$ 158,350
Series A - USD	444,390	–	–	–	9,392	453,782
Series F	25,010,869	19,680,595	(2,130,952)	–	773,507	43,334,019
Series F - USD	343,775	2,056,997	(46,998)	–	24,353	2,378,127
Series X	52,093,815	26,549	(1,713,949)	–	1,359,259	51,765,674
	<u>\$ 77,911,512</u>	<u>\$ 21,927,741</u>	<u>\$ (3,917,153)</u>	<u>\$ –</u>	<u>\$ 2,167,852</u>	<u>\$ 98,089,952</u>

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Reinvestment of redeemable units	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2024						
Series A	\$ 33,266	\$ 9,500	\$ (13,269)	\$ –	\$ 611	\$ 30,108
Series A - USD	171,208	221,368	–	–	4,922	397,498
Series F	7,388,534	6,827,439	(932,729)	–	262,573	13,545,817
Series F - USD	191,120	237,670	(45,852)	–	7,316	390,254
Series X	53,093,391	10,195	(1,851,473)	27	1,324,739	52,576,879
	<u>\$ 60,877,519</u>	<u>\$ 7,306,172</u>	<u>\$ (2,843,323)</u>	<u>\$ 27</u>	<u>\$ 1,600,161</u>	<u>\$ 66,940,556</u>

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Statement of Cash Flows

For the six-months ended June 30, 2025 (Unaudited)

	2025	2024
Cash provided by (used in):		
Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 2,167,852	\$ 1,600,161
Adjustments for non-cash items		
Commission and other portfolio transaction costs	115,636	136,287
Net change in unrealized depreciation (appreciation) in value of investments, including derivatives and foreign exchange adjustments	1,993,462	(1,721,130)
Net realized (gain) loss on sale of investments, including derivatives and foreign exchange adjustments	(4,760,887)	126,683
Commissions and fees adjustment	(1,555)	(4,446)
Change in non-cash balances		
Decrease in dividends receivable	24,478	62,314
Increase in interest receivable	(265,673)	(6,146)
Increase in due from Manager	(100,000)	–
Increase in HST receivables	(13,385)	–
Increase in other receivables	–	(10,393)
Increase (decrease) in accounts payable and accrued liabilities	43,477	(9,472)
Decrease in dividends payable on investments sold short	(23,687)	(22,917)
Increase in interest and borrowing fees payable	66,245	16,181
Increase in management fees payable	13,500	3,917
Increase (decrease) in performance fees payable	133,937	(26,469)
Proceeds from sale of investments	197,226,026	176,423,145
Purchase of investments	(246,993,758)	(213,037,988)
Cash used in operating activities	<u>(50,374,332)</u>	<u>(36,470,273)</u>
Financing Activities		
Proceeds from redeemable units issued	21,370,368	7,372,010
Cash paid on redemption of redeemable units	(3,842,153)	(2,838,928)
Distributions to holders of redeemable units, net of reinvestments	(319)	–
Cash provided by financing activities	<u>17,527,896</u>	<u>4,533,082</u>
Decrease in cash and cash equivalents during the period	(32,846,436)	(31,937,191)
Foreign exchange gain on cash	404,986	421,112
Cash and cash equivalents, beginning of period	<u>7,095,578</u>	<u>21,763,441</u>
Bank indebtedness, end of period	<u>\$ (25,345,872)</u>	<u>\$ (9,752,638)</u>
Supplemental information*		
Interest paid	\$ 187,358	\$ 3,894
Interest received	388,367	890,882
Dividends paid	152,938	275,980
Dividends received, net of withholding taxes	325,801	386,663

*Included as a part of cash flows from operating activities

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Schedule of Investment Portfolio As at June 30, 2025 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
United Kingdom equity				
849,642	Deliveroo PLC	\$ 2,775,989	\$ 2,793,109	2.85
Canadian equities				
45,880	Andlauer Healthcare Group Inc.	2,397,889	2,413,747	2.46
107,570	CI Financial Corp.	3,342,944	3,408,893	3.48
538,381	Innergex Renewable Energy Inc.	7,352,436	7,386,587	7.53
51,223	Parkland Corp.	1,940,537	1,973,110	2.01
		15,033,806	15,182,337	15.48
European equity				
33,092	Covestro AG	2,897,360	3,204,127	3.27
U.S. equities				
38,987	ALLETE Inc.	3,467,886	3,402,386	3.47
288,803	AvidXchange Holdings Inc.	3,862,100	3,851,176	3.93
26,290	Blueprint Medicines Corp.	4,592,516	4,590,076	4.68
38,991	Couchbase Inc.	1,307,341	1,294,813	1.32
467,518	Dun & Bradstreet Holdings Inc.	5,784,362	5,788,569	5.90
1,312,278	E2open Parent Holdings Inc.	5,816,530	5,773,476	5.89
12,609	Enstar Group Ltd.	5,575,862	5,776,888	5.89
68,063	Frontier Communications Parent Inc.	3,415,045	3,374,593	3.44
242,227	Global Blue Group Holding AG	2,499,138	2,464,632	2.51
107,050	Guild Holdings Co.	2,899,145	2,882,719	2.94
13,978	Hess Corp.	2,639,478	2,637,723	2.69
41,600	Informatica Inc.	1,374,945	1,379,753	1.41
87,319	Juniper Networks Inc.	4,587,421	4,749,163	4.84
30,250	Kellanova	3,305,830	3,276,916	3.34
228,020	PlayAGS Inc.	3,709,097	3,879,220	3.95
119,162	Radius Recycling Inc.	4,837,876	4,819,001	4.91
73,223	Skechers U.S.A. Inc.	6,223,148	6,293,408	6.42
97,633	SpringWorks Therapeutics Inc.	6,230,015	6,249,008	6.37
11,465	The AZEK Co Inc.	843,354	848,755	0.87
50,045	TXNM Energy Inc.	3,917,144	3,839,126	3.91
236,503	Walgreens Boots Alliance Inc.	3,636,363	3,698,176	3.77
		80,524,596	80,869,577	82.45
U.S. fixed income				
1,610,000	8th Avenue Food & Provisions Inc. 12.1886% 01OCT26	2,202,654	2,194,078	2.24
4,000,000	8th Avenue Food & Provisions Inc. 8.1886% 01OCT25	5,462,271	5,451,452	5.56
1,930,000	AssuredPartners Inc. 5.625% 15JAN29	2,799,312	2,630,562	2.68
240,000	AssuredPartners Inc. 7.50% 15FEB32	372,909	350,722	0.36
1,160,000	Boost Newco Borrower LLC 6.2597% 31JAN31	1,612,527	1,585,961	1.62
1,050,000	Boost Newco Borrower LLC 7.50% 15JAN31	1,545,953	1,520,136	1.55
530,000	E2open LLC 7.9413% 04FEB28	735,928	725,266	0.74
1,250,000	Everi Holdings Inc. 5% 15JUL29	1,776,395	1,721,490	1.76
1,000,000	Foot Locker Inc. 4% 01OCT29	1,332,643	1,291,461	1.32

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Schedule of Investment Portfolio (continued)

As at June 30, 2025 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
U.S. fixed income (continued)				
3,150,000	Hewlett Packard Enterprise Co. 5.60% 15OCT54	\$ 3,989,503	\$ 3,963,970	4.04
3,000,000	Matthews International Corp. 8.625% 01OCT27	4,317,647	4,255,677	4.34
300,000	Mclaren Finance PLC 7.50% 01AUG26	419,014	409,893	0.42
1,889,000	The Dun & Bradstreet Corp. 5% 15DEC29	2,704,477	2,637,332	2.69
		<u>29,271,233</u>	<u>28,738,000</u>	<u>29.32</u>
U.S. option				
58,000	Juniper Networks Inc. Put \$35 21NOV25	168,077	1,975	0.00
U.S. right				
7,479	Novartis AG - CVR	3,920	–	–
	Total investments owned	130,674,981	130,789,125	133.37
Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
U.S. equities				
(14,325)	Chevron Corp.	(2,825,076)	(2,793,936)	(2.85)
(11,861)	James Hardie Industries PLC	(431,627)	(434,431)	(0.44)
(57,920)	Triumph Group Inc.	(2,051,569)	(2,031,490)	(2.07)
		<u>(5,308,272)</u>	<u>(5,259,857)</u>	<u>(5.36)</u>
U.S. options				
(58,000)	Juniper Networks Inc. Call \$37 21NOV25	(119,694)	(237,005)	(0.24)
(58,000)	Juniper Networks Inc. Put \$30 21NOV25	(86,330)	(3,950)	0.00
		<u>(206,024)</u>	<u>(240,955)</u>	<u>(0.24)</u>
	Total investments sold short	(5,514,296)	(5,500,812)	(5.60)
	Commissions and other portfolio transaction costs	(72,827)	–	–
	Net investments owned	\$ 125,087,858	125,288,313	127.77
	Unrealized gain, foreign exchange forward contracts (Schedule 1)		104,446	0.11
	Unrealized loss, swap contracts (Schedule 2)		(19,027)	(0.02)
	Other liabilities, net		<u>(27,283,780)</u>	<u>(27.86)</u>
	Net Assets Attributable to Holders of Redeemable Units		\$ 98,089,952	100.00

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Schedule 1 - Forward Contracts

As at June 30, 2025

Settlement date	Currency	Counterparty	Forward rates	Fair value	Notional amount	Unrealized gain
October 01, 2025	USD	TD Securities	1.3559	\$ (1,442,147)	\$ (1,443,011)	\$ 864
September 29, 2025	USD	TD Securities	1.3561	\$ (79,221,609)	\$ (79,404,601)	\$ 182,991
Net unrealized gain on forward contracts						\$ 183,855

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized loss
October 31, 2025	USD	Goldman Sachs	0.8430	\$ 1,966,396	\$ 1,992,138	\$ (41,267)
October 24, 2025	USD	Goldman Sachs	0.7283	\$ 1,470,088	\$ 1,490,496	\$ (38,142)
Net unrealized loss on forward contracts						\$ (79,409)

Total unrealized gain (loss) on forward contracts						\$ 104,446
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OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Schedule 2 - Swap Contracts

As at June 30, 2025

Settlement date	Currency	Underlying Security		Notional amount	Unrealized gain (loss)
July 15, 2026	GBP	ASSURA PLC	\$	474,955	\$ 1,367
July 15, 2026	GBP	ASSURA PLC	\$	1,144,606	\$ 3,617
July 15, 2026	GBP	ASSURA PLC	\$	28,934	\$ 70
July 15, 2026	GBP	ASSURA PLC	\$	13,822	\$ 63
July 15, 2026	GBP	ASSURA PLC	\$	1,399,993	\$ 5,104
July 15, 2026	GBP	ASSURA PLC	\$	189,203	\$ 540
July 14, 2026	USD	VIPER ENERGY INC	\$	(2,785,029)	\$ 249,582
Net unrealized gain on swap contracts					\$ 260,343
July 15, 2026	GBP	SPIRENT COMMUNICATIONS-ADR	\$	(50,581)	\$ (65)
July 15, 2026	GBP	SPIRENT COMMUNICATIONS-ADR	\$	(271,303)	\$ (271)
July 15, 2026	GBP	SPIRENT COMMUNICATIONS-ADR	\$	(159,228)	\$ (89)
July 14, 2026	USD	SITIO ROYALTIES CORP-A	\$	2,770,432	\$ (253,379)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	553,012	\$ (3,003)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	633,323	\$ (3,699)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	19,318	\$ (97)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	1,083,312	\$ (12,145)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	153,193	\$ (2,084)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	16,559	\$ (173)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	35,107	\$ (311)
April 22, 2026	EUR	JUST EAT TAKEAWAY	\$	427,996	\$ (4,054)
Net unrealized loss on swap contracts					\$ (279,370)
Net unrealized gain (loss) on swap contracts					\$ (19,027)

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

1. FUND ORGANIZATION AND NATURE OF OPERATIONS

Oak Hill Nexpoint Global Merger Arbitrage Fund (the "Fund") is a mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust (the "Master Trust Agreement") dated January 05, 2023 and amended and restated on April 19, 2023. Oak Hill Asset Management Inc., a corporation incorporated under the laws of Canada, is the manager and trustee (the "Manager", and the "Trustee") of the Fund. The Fund commenced active operations on April 19, 2023. The registered address of the Fund is 161 Bay Street, Suite 2460, Toronto, Ontario, M5J 2S1.

The Manager is responsible for managing and directing the business affairs of the Fund and to make investment decisions in accordance with the general investment policies, objectives, restrictions and guidelines of the Fund. SGGG Fund Services Inc. (the "Administrator") has been appointed by the Manager as the administrator of the Fund. RBC Investors Services Trust (the "Custodian") has been appointed as the custodian of the Fund.

The Fund's objective is to generate consistent, positive absolute returns, with low volatility and low correlation to equity markets by investing in securities in Canada, the United States and in other foreign jurisdictions. To achieve this investment objective, the Fund will primarily focus on merger arbitrage by investing in securities of companies that are involved in publicly announced mergers.

The Fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 ("NI 81-102"), which are designed to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. The Manager intends to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 30% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The maximum aggregate exposure to these sources of leverage shall not exceed 300% of the Fund's NAV.

2. BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with IFRS Accounting Standards and International Accounting Standard 34, Interim Financial Reporting ("together IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these interim financial statements are based on IFRS Accounting Standards issued and effective as of January 1, 2025. The financial statements were authorized for issue by the Manager on August 8, 2025.

Functional and Presentation Currency

The Fund's functional and presentation currency is the Canadian dollar.

Basis of Measurement

These interim financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets and liabilities.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Valuation of Investments

The fair value of financial assets and financial liabilities traded in active markets is based on quoted market prices. In accordance with the provisions of the Fund's Master Trust Agreement, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each Statement of Financial Position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

The swaps are valued using pricing models whose inputs are mostly observable from market inputs with some unobservable inputs as well. The Fund may use derivatives such as options and forward contracts to hedge against losses caused by changes in security prices or exchange rates. The fair value of a foreign currency forward contract is determined using quoted forward exchange rates at the reporting date as obtained from an independent source. Futures contracts are valued based on the difference between the contract price at the trade date and the settlement price on the valuation date.

When the Fund purchases an option an amount equal to fair value which is based on the premium paid, is recorded as an asset within investments owned, at fair value. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability within investment sold short, at fair value. When options are closed the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a realized gain or loss and is presented in the statement of comprehensive income within net realized gain (loss) on sale of investments including derivatives and foreign exchange transactions.

Investments and other financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at FVTPL. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments owned and sold short and derivative instruments are measured at FVTPL.

Pursuant to IFRS 9, Financial Instruments, ("IFRS 9"), the Fund classifies its investments and derivative instruments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - (Continued)

Investments and other financial instruments - (Continued)

Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The receivable or payable on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded as "Change in unrealized gain (loss) on investments and derivatives" and realized gain or loss on foreign exchange contracts is included in "Derivative income (loss)" in the Statements of Comprehensive Income.

All other financial assets and financial liabilities are recognized initially at fair value and subsequently measured at amortized cost i.e.:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The fair value of those financial instruments is approximated by their carrying value.

Transaction costs, such as brokerage commissions, incurred by the Fund in the purchase and sale of investments at fair value are recognized in the Statement of Comprehensive Income in the period incurred.

Classification of units of the Fund

The Fund accounts for its redeemable units as liability. IAS 32, Financial Instruments: Presentation ("IAS 32") requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset to be classified as a financial liability unless specific criteria are met. The Manager has determined that the Fund's units meet the criteria in IAS 32 for classification as liabilities because different series of units have different attributes with an obligation to deliver cash under unfavorable conditions and expected cash flows are based on the changes in their fair value.

Recognition and derecognition of financial assets and financial liabilities

The Fund recognizes financial assets and financial liabilities on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when the Fund's obligations are discharged, cancelled or they expire.

Investment transactions and revenue recognition

Dividend income is recognized on the ex-dividend date and distributions from underlying funds are recognized once the distribution is declared. Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - (Continued)

Investment transactions and revenue recognition – (Continued)

The interest income for distribution purposes shown on the Statement of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Other assets and liabilities

Dividends receivable, interest receivable, receivable for investments sold, subscriptions receivable, due from Manager and HST receivables are classified as measured at amortized cost and are recorded at amortized cost. Accounts payable and accrued liabilities, dividends payable on investments sold short, management fees payable, performance fees payable, payable for investments purchased, interest and borrowing fees payable, redemption payable and distributions payable are designated as financial liabilities at amortized cost. Financial liabilities are generally settled within three months of issuance.

Valuation of redeemable units

The value of redeemable units is determined as at the designated business day on which i) regular session of the exchange is held; ii) the primary market or exchange for the majority of the securities held by the Fund is open for trading daily and, (iii) or such other day as agreed from time to time by the Manager ("Valuation Date"). The value of redeemable units on a Valuation Date is obtained by dividing the net assets of a specific class and/or series of units by the total number of units outstanding of the class and/or series at the close of business on the Valuation Date. Expenses directly attributable to a class and/or series are charged to that class and/or series while common Fund expenses are allocated to each class and/or series in a reasonable manner as determined by the Manager. Other income and realized and unrealized gains and losses are allocated to each class and/or series of the Fund based on that class and/or series' pro rata share of total net assets of the Fund.

Translation of foreign currency

The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rates prevailing at 4:00pm Eastern Standard Time (the "closing rate") on each Valuation Date. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into US dollars at rates of exchange prevailing on the respective dates of such transactions with the exception of options which are translated using the FX rate in effect on the option transaction date.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - (Continued)

Net Assets attributable to holders of redeemable units per unit

The net assets attributable to holders of redeemable units of the Fund's are computed by dividing the net assets attributable to holders of units by the total number of units outstanding at the time. The net assets attributable to holders of redeemable units are determined at the end of period.

Increase in net assets attributable to holders of redeemable units per series, per unit

Increase in net assets attributable to holders of redeemable units per series, per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that series during the period. Refer to Note 10 for the calculation.

Payable for investments purchased/receivable for investments sold

Amounts receivable for investments sold and amounts payable for investments purchased that have been contracted are recorded on the statements of financial position at the amount to be received or delivered.

Cash and cash equivalents

Cash and cash equivalents are comprised of deposits/credit with financial institutions and cash equivalents that are readily convertible into cash and is carried at cost which approximates fair value.

Derivative transactions

The Fund may use derivative contracts to enhance returns of the Fund and to manage risks associated with the investments. The derivatives are designated as held-for-trading and, as a result, the contracts are measured at fair value on the valuation date and the resulting gains and losses, both realized and unrealized, are recognized in the Statement of Comprehensive Income.

Distribution of net income and gains

Net investment income (excluding dividends receivable) and net realized capital gains of the Fund are distributed to unitholders of record of the Fund as of the close of business on the last day of the taxation year of the Fund according to each unitholder's proportionate share of the Fund less any tax required to be deducted. All distributions are reinvested automatically in additional units of the Fund unless the Manager has determined to make the cash distribution option available to unitholders and the unitholder has requested payment of the distribution in cash.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - (Continued)

Investment entity

The Fund has determined that it is an investment entity as defined by IFRS 10, Consolidated Financial Statements ("IFRS 10") and the amendments to IFRS 10, as the following conditions exist:

- (a) The Fund has obtained funds from one or more investors for the purpose of providing those investors with investment management services.
- (b) The Fund has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (c) The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

As an investment entity, the Fund is exempted from consolidating or applying IFRS 3 for the measurement of its investments in controlled and significantly influenced entities and instead is required to measure such investments at FVTPL.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgment that the Fund has made in preparing the financial statements:

Fair value measurement of investments not quoted in an active market

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. The valuation methods for these financial instruments are described in note 3. The values of these securities are independently assessed by the Manager to ensure they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair value for these securities may be materially different from the values that would have been used had a ready market for the investment existed.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

5. EXPENSES

All expenses of the Fund shall be paid by the Fund or on behalf of the Fund, including without limitation: all fees and expenses relating to its operation, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), record keeping and legal fees and expenses, trustee, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of units (except for formation and organization costs and costs associated with the preparation and filing the simplified prospectus), providing financial and other reports to unitholders and convening and conducting meetings of unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest, all brokerage and other fees relating to the purchase and sale of the assets of the Fund, and the fees and expenses of the independent review committee. The annual fee payable to each member of the independent review committee is \$5,000 and \$7,000 for the chair, plus applicable taxes or other deductions. Expenses incurred by the members of the independent review committee in connection with performing their duties are also the responsibility of the Fund. The Manager will pay for all expenses associated with the identification and management of the Fund's investments (other than direct expenses such as interest charges on margin borrowings and brokerage fees, which are the responsibility of the Fund).

The foregoing expenses shall be allocated by the Manager to each class or series of units of the Fund on the basis that (i) all class expenses or series expenses shall be allocated only to the class or series of units of the Fund in respect of which the class expenses or series expenses were incurred, and (ii) each type of common expense shall be allocated among the classes or series of units of the Fund as determined by the Manager, in its sole discretion.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

6. REDEEMABLE UNITS OF THE FUND

The Manager has sole discretion in determining whether beneficial interests of the Fund are to be divided into one or more series of units and whether a series is issued in one or more series of units, the attributes that shall attach to each class and/or series of units and whether units of any class and/or series of units should be redesignated as units of a different class and/or series of units, as applicable, from time to time. The number of units and classes and/or series of units of the Fund that may be issued is unlimited. As at June 30, 2025, Series A, Series A-USD, Series F, Series F-USD and Series X units have been issued.

Units of a particular class and/or series of a Fund may, at the option of the holder or the Manager, be redesignated as units of any other class and/or series of the Fund based on the applicable series net asset value and class net asset value, as the case may be, of each of the two classes and/or series on the date of the redesignation. Each unit shall be without nominal or par value and each whole unit of a particular class or series shall entitle the holder thereof to one vote at all meetings of unitholders of the Fund.

Each unit of a particular class or series shall entitle the holder thereof to participate pro rata, with respect to all distributions made to that class or series and, upon liquidation of the Fund, to participate pro rata with the other unitholders of that same class or series in the class or series net asset value of the Fund remaining after the satisfaction of outstanding liabilities of the Fund and the class or series. Units of a class or series of the Fund are not transferable by a unitholder except by operation of law or with the written consent of the Manager.

Fractional units of a class or series may be issued and shall be proportionately entitled to all the same rights as whole units of that same class or series.

The changes in outstanding redeemable units during the periods ended June 30, 2025 and 2024 is summarized as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemption of Redeemable Units	Redeemable Units, end of period
June 30, 2025				
Series A	1,817	15,713	(2,422)	15,108
Series A - USD	31,406	–	–	31,406
Series F	2,332,549	1,804,541	(195,875)	3,941,215
Series F - USD	24,095	142,938	(3,282)	163,751
Series X	4,996,806	2,543	(162,754)	4,836,595
June 30, 2024				
Series A	3,271	920	(1,289)	2,902
Series A - USD	12,556	15,935	–	28,491
Series F	713,889	652,646	(88,838)	1,277,697
Series F - USD	13,857	16,899	(3,253)	27,503
Series X	5,197,213	993	(178,689)	5,019,517

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

6. REDEEMABLE UNITS OF THE FUND - (Continued)

Redemption of units

Each unitholder of the Fund is entitled at any time and from time to time to require the Fund to redeem all or any part of that unitholder's units on a specified redemption date (the "Redemption Date", being any Valuation Date) at the class net asset value or series net asset value per unit for the applicable class or series of units. Upon payment to the redeeming unitholder of the class or series net asset value per unit of the units redeemed, as applicable, the Fund shall be discharged from all liability to the unitholder in respect of the units redeemed.

Redemptions are permitted on a daily basis. The Trustee shall be entitled, at any time and from time to time, at its absolute discretion, to compulsorily redeem or cause to be redeemed all or any part of the units held by any such unitholder pursuant to security legislations, from time to time, determined at its discretion, at the applicable class or series net asset value.

Distributions

The Manager will declare and credit as due and payable in each calendar year all of the net income of the Fund for the taxation year ending in such calendar year and a sufficient amount of the net capital gains of the Fund for the taxation year ending in such calendar year so that the Fund will not have any obligation to pay tax under the Tax Act. The distributions shall be payable to persons who are unitholders on December 31 of that year, and such amount shall be automatically reinvested in additional units of the same class or series of units of the Fund on which the amount was considered to have been declared. Immediately following such reinvestment, the number of units of the relevant class or series of units outstanding shall be automatically consolidated so that the class net asset value per unit or series net asset value per unit after the reinvestment shall be the same as it was immediately before the amount was considered to have been declared as due and payable by the Fund (before any redesignation of units from one class or series to another) unless the Manager has determined to make a cash distribution option available to unitholders and the unitholder has requested from the Manager in writing payment of the unitholder's distribution in cash.

All unitholders of the Fund participate in distributions and each series of the Fund ranks equally with the other series of the Fund in the payment of such distributions.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

6. REDEEMABLE UNITS OF THE FUND - (Continued)

Capital disclosure

The capital of the Fund is represented by issued and redeemable units. The unitholders are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset per redeemable unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Management fees

In consideration for the services provided by the Manager, the Fund pays the Manager management fees. The management fees for the Fund are calculated daily, on each business day, as a percentage of the NAV of each series of units that comprise the Fund. The management fees may vary from series to series and will be deducted as an expense of the Fund in the calculation of the net profits of the Fund. The management fees for each of the existing series of units is set out below.

The Manager will receive fees equal to: (i) 1/365 of 2% per annum of the aggregate NAV of the Series A units and Series A – USD units on the preceding business day, and (ii) 1/365 of 1% per annum of the aggregate NAV of the Series F units and Series F – USD units on the preceding business day, and (iii) 1/365 of 0.75% per annum of the aggregate NAV of the Series X units on the preceding business day.

The Manager may, in its discretion, agree to charge a reduced management fee as compared to the fee that the Manager otherwise would be entitled to receive from the Fund with respect to investments in the Fund by unitholders who hold a minimum amount of units during any period or meet other criteria as determined by the Manager from time to time. In such cases, an amount equal to the difference between the management fee otherwise chargeable and the reduced fee payable by the Fund will be distributed regularly by the Fund to those unitholders as management fee distributions ("Management Fee Distributions"). The Manager reserves the right, in its discretion, to discontinue or change Management Fee Distributions at any time.

The total management fees for the Fund for the period ended June 30, 2025, was \$402,167 (2024 - \$282,382), of which \$76,054 (December 31, 2024 - \$62,554) remained payable as at the period end.

Performance fees

The Manager is entitled to a performance fee from the Fund. The performance fees for the Fund will be calculated and accrued daily and paid quarterly. For all series of the units, the amount of performance fees will be equal to 15% of the amount by which the total return of the series of units exceeds the previous high water mark for each applicable series of units. On any day a performance fee is paid for the Fund, a high water mark is set, which is equal to the NAV of the Funds on such date, after deducting all fees and expenses. No further performance fee will be paid until the NAV, adjusted for any distributions since the high water mark was last set, exceeds this high water mark value. This high water mark is perpetual and cannot be reset. Deficiencies to the high water mark accrue for each day a Fund does not exceed the high water mark and performance fees will not be accrued until the series of units of the Fund has exceeded the high water mark.

The total performance fees for the Fund for the period ended June 30, 2025, was \$448,999 (2024 - \$315,260), of which \$201,632 (December 31, 2024 - \$67,695) remained payable as at the period end.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

7. RELATED PARTY BALANCES AND TRANSACTIONS - (Continued)

Related party unit holdings

As at June 30, 2025, the directors and key management personnel of the Manager and Portfolio Manager held 10,348 units (December 31, 2024 - 10,119 units) of Series X, and 1,009 units (December 31, 2024 - 1,000 units) of Series F, of the Fund.

8. FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund's financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements. The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted publicly quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date;

Level 2 – Inputs other than publicly quoted prices that are either directly or indirectly observable for the asset or liability; and

Level 3 – Inputs that are unobservable for the assets or liabilities. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 102,049,150	\$ –	\$ –	\$ 102,049,150
Fixed income	–	28,738,000	–	28,738,000
Foreign exchange forwards	–	183,855	–	183,855
Swap contracts	–	260,343	–	260,343
Option	–	1,975	–	1,975
	\$ 102,049,150	\$ 29,184,173	\$ –	\$ 131,233,323
Liabilities				
Equities	\$ 5,259,857	\$ –	\$ –	\$ 5,259,857
Foreign exchange forwards	–	79,409	–	79,409
Swap contracts	–	279,370	–	279,370
Options	240,955	–	–	240,955
	\$ 5,500,812	\$ 358,779	\$ –	\$ 5,859,591

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

8. FAIR VALUE MEASUREMENTS - (Continued)

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 76,478,762	\$ –	\$ –	76,478,762
Fixed income	–	6,512,576	–	6,512,576
Foreign exchange forwards	–	314,012	–	314,012
Swap contracts	–	209,447	–	209,447
Options	278,571	–	–	278,571
Rights	–	–	4,201	4,201
	\$ 76,757,333	\$ 7,036,035	\$ 4,201	\$ 83,797,569
Liabilities				
Equities	\$ 11,253,361	\$ –	\$ –	11,253,361
Swap contracts	–	159,533	–	159,533
Options	505,467	–	–	505,467
	\$ 11,758,828	\$ 159,533	\$ –	\$ 11,918,361

The changes in investments measured at fair value using significant level 3 inputs are reflected below:

	Total
Beginning Balance, January 01, 2025	\$ 4,201
Change in unrealized depreciation included in net income	(4,201)
Ending Balance, June 30, 2025	\$ –
<hr/>	
	Total
Beginning Balance, January 01, 2024	\$ 3,852
Change in unrealized appreciation included in net income	349
Ending Balance, December 31, 2024	\$ 4,201

All fair value measurements above are recurring. The carrying values of cash and cash equivalents, dividends receivable, interest receivable, HST receivables, due from Manager, receivables for investments sold, subscriptions receivable, accounts payable and accrued liabilities, dividends payable on investments sold short, interest and borrowing fees payable, management fees payable, performance fees payable, redemptions payable, payables for investments purchased and distributions payable approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. There were no transfers for the six months ended June 30, 2025 and year ended December 31, 2024.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

9. FINANCIAL RISK MANAGEMENT

The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and the market and company news related to specific securities within the Fund. The Manager has the responsibility for the selection of securities within the investment policy guidelines. The Manager seeks to enhance the returns by opportunistically engaging in individual security selection, strategic sector rotation, and tactical or opportunity driven trading. The Manager selects individual securities which it believes have an opportunity for consistent and positive absolute returns based on their growth prospects and current market valuation.

The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors and monitoring the Fund's positions and market events on a daily basis, and the Manager may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines and securities regulations.

The Fund's investment activities expose it to a variety of financial risks: market risk (including other price risk, foreign exchange risk and interest rate risk), credit risk, liquidity risk and concentration risk. These risks and related risk management practices employed by the Fund are discussed below:

(i) Other Price Risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. Except for written options and securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written options and securities sold short can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund are susceptible to other price risk arising from uncertainties about future prices of the instruments. The Fund invests a certain portion in short positions according to the Fund's investment strategy.

The Fund is exposed to other price risk from its investment in equity securities and written options. As at June 30, 2025, had the prices on the respective stock exchanges for these investments increased or decreased by 10%, with all other variables held constant, Net Assets of the Fund would have increased or decreased by \$9,655,031 (December 31, 2024 - \$6,499,851).

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

9. FINANCIAL RISK MANAGEMENT - (Continued)

(ii) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments.

The Fund is exposed to the risk that such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Other assets and liabilities are short-term in nature and/or non-interest bearing. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

As at June 30, 2025 and December 31, 2024, the Fund's exposure to debt instruments by maturity and the impact on net assets had the yield curve shifted higher in parallel by 25 basis points, with all other variables held constant ("sensitivity"), are as follows:

Bonds by Maturity Date		June 30, 2025	December 31, 2024
0 to 1 year	\$	5,451,452	\$ -
1 to 3 years		7,584,914	224,383
3 to 5 years		8,280,845	6,288,193
Greater than 5 years		7,420,789	-
Total	\$	28,738,000	\$ 6,512,576
Sensitivity	\$	(69,556)	\$ (8,985)

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

9. FINANCIAL RISK MANAGEMENT - (Continued)

(iii) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The schedule of investment portfolio identifies all investments denominated in foreign currencies. Equities and derivative instruments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

Currency risk arises from financial instruments that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund. The Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

The currency risk related to the Fund as at June 30, 2025 and December 31, 2024, is shown below.

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2025						
U.S. Dollar	\$ (74,858,913)	\$ 75,370,740	\$ 511,827	\$ (3,742,946)	\$ 3,768,537	\$ 25,591
Euro	–	3,204,127	3,204,127	–	160,206	160,206
U.K. Pound Sterling	–	2,793,109	2,793,109	–	139,655	139,655
	\$ (74,858,913)	\$ 81,367,976	\$ 6,509,063	\$ (3,742,946)	\$ 4,068,398	\$ 325,452
% of Net Assets Attributable to Holders of Redeemable Units						
	(76.31)	82.95	6.64	(3.82)	4.15	0.33

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2024						
U.S. Dollar	\$ (57,220,773)	\$ 54,860,375	\$ (2,360,398)	\$ (2,861,039)	\$ 2,743,019	\$ (118,020)
U.K. Pound Sterling	506	7,854,096	7,854,602	25	392,705	392,730
Euro	–	2,861,173	2,861,173	–	143,059	143,059
	\$ (57,220,267)	\$ 65,575,644	\$ 8,355,377	\$ (2,861,014)	\$ 3,278,783	\$ 417,769
% of Net Assets Attributable to Holders of Redeemable Units						
	(73.44)	84.17	10.73	(3.67)	4.21	0.54

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

9. FINANCIAL RISK MANAGEMENT - (Continued)

(iv) Credit Risk

Credit risk represents the potential loss that the Fund would incur if its counterparties failed to perform in accordance with the terms of their obligations to the Fund. The Fund maintains all of its cash and cash equivalents at its custodian. All transactions in listed securities are settled/paid for on delivery using approved brokers. The risk of counterparty default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the custodian. The trade will fail if either party fails to meet its obligations.

The following table is a summary of the Fund's debt instruments by credit rating, excluding cash and cash equivalents, as at June 30, 2025 and December 31, 2024.

Bonds by Credit Rating	Percentage of bonds	
Market segment	June 30, 2025	December 31, 2024
Below BBB	90.5	96.5
Non rated	9.5	3.5
Total	100.0	100.0

(v) Liquidity Risk

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of redeemable units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market. In addition, the Fund aims to retain sufficient cash and cash equivalents positions to maintain liquidity.

All financial liabilities are due within 12 months. Redeemable units are redeemable on demand on a daily basis at the holder's option. The Fund's investments are considered readily realizable and liquid, therefore the Fund's liquidity risk is considered minimal. The Fund may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading derivatives.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

9. FINANCIAL RISK MANAGEMENT - (Continued)

(vi) Concentration Risk

Concentration risk arises because of the concentration exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following table is a summary of the Fund's concentration risk as a percentage of the Fund's net assets:

Market segment	Percentage of net assets of the Fund	
	June 30, 2025	December 31, 2024
Investments owned		
Communications	12.3	–
Consumer Discretionary	13.7	12.7
Consumer Staples	38.1	11.1
Energy	1.9	2.1
Financials	15.3	22.0
Industrials	0.8	25.5
Materials	8.2	(1.1)
Technology	22.6	19.5
Utilities	14.9	–
Total net investments	127.8	91.8
Cash and other assets and liabilities	(27.8)	8.2
	100.0	100.0

(vii) Leverage Risk

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on preferred shares, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

As prescribed by National Instrument 81-102, Investment Funds, the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's NAV: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

As at June 30, 2025, the Fund's lowest and highest aggregate gross exposure was 106.78% (December 31, 2024 – 109%) and 170.48% (December 31, 2024 – 170%) of the Fund's NAV respectively. The primary source of leverage was short positions in equities. The low and high end of the range are as a result of our investing activities, and timing of subscriptions and/or redemptions. The Manager monitors, on a daily basis, that the Fund's aggregate gross exposure is less than 300% of the Fund's NAV.

OAK HILL NEXPOINT GLOBAL MERGER ARBITRAGE FUND

Notes to Financial Statements

For the six months ended June 30, 2025 (Unaudited)

10. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES, PER UNIT

The increase in net assets attributable to holders of redeemable units per series, per unit for the period six months ended June 30, 2025 and 2024 is calculated as follows:

	Increase in net assets attributable to holders of redeemable units per series	Weighted average of redeemable units outstanding during the period	Increase in net assets attributable to holders of redeemable units per unit
June 30, 2025			
Series A	\$ 1,341	7,077 \$	0.19
Series A - USD	9,392	31,406	0.30
Series F	773,507	2,905,007	0.27
Series F - USD	24,353	110,309	0.22
Series X	1,359,259	4,886,932	0.28
June 30, 2024			
Series A	\$ 611	2,616 \$	0.23
Series A - USD	4,922	16,602	0.30
Series F	262,573	1,020,017	0.26
Series F - USD	7,316	21,376	0.34
Series X	1,324,739	5,126,831	0.26

11. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to unitholders and are retained in the Fund for future years. Non-capital losses may be carried forward for up to 20 years to reduce taxable income and realized capital gains in future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains.

As at December 31, 2024 and 2023, the Fund had no unused capital losses and non-capital losses.

12. COMPARATIVE FIGURES

Certain comparative amounts in the interim financial statements have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported Net Assets Attributable to Holders of Redeemable Units and the Increase in Net Assets Attributable to Holders of Redeemable Units. An adjustment has been made to the Statements of Comprehensive Income for fiscal period ended June 30, 2024 and Statement of Financial Position as at December 31, 2024.